

Judge Franklin D. Burgess

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	NO. CR04-5516FDB
	)	
v.	)	FINAL ORDER OF
	)	FORFEITURE, 540 THIRD
MICHAEL STEFFEN,	)	AVENUE, FOX ISLAND,
	)	WASHINGTON
Defendant.	)	
_____	)	

This matter is before the Court pursuant to Rule 32.2(c), Federal Rules of Criminal Procedure for entry of a Final Order of Forfeiture following the conclusion of ancillary proceedings as to real property located at 540 Third Avenue, Fox Island, Washington, more particularly described below.

On September 6, 2005, the Court entered a Second Amended Preliminary Order of Forfeiture in the above-captioned case forfeiting certain properties to the United States, including defendant Michael Steffen's interest in the following property:

Real property, together with its buildings, appurtenances, fixtures,  
 attachments and easements, located at 540 3rd Avenue, Fox Island, Washington, more  
 particularly described as follows:

PARCEL A: Beginning at the Northwest corner of Lot 4, Section 35,  
 Township 21 North, Range 1 East of the W.M., in Pierce County,  
 Washington; thence South along the West line of said Lot 4 to intersection  
 with meander line of said lot; thence North 31°10' West along the meander  
 line, 182 feet to the true point of beginning; thence continue North 31°10'  
 West along the meander line, 65.66 feet; thence East 128.17 feet to the  
 West line of said Lot 4; thence North along the West line of said lot to a  
 point 513.42 feet South of said Northwest corner of Lot 4; thence East to  
 the Westerly line of Dreazy County Road; thence Southeasterly along said  
 Westerly line to a point North 70°30' East of the true point of beginning;  
 thence South 70°30' West to the true point of beginning.

PARCEL B: Beginning at a point 513.42 feet South of the Northeast corner  
 of Government Lot 4, Section 34, Township 21 North, Range 1 East of the  
 W.M., in Pierce County, Washington, on Fox Island; thence South and  
 parallel to the East line of said Section 34, 85.57 feet; thence West at right  
 angle to said East line, 128.17 feet to the meander line of Carr's Inlet;  
 thence Northwesterly along said meander line, 100 feet; thence East 179.92  
 feet to the point of beginning.

TOGETHER WITH an undivided one-eighth interest in the following  
 described property:

Beginning at a point 20 feet West and 33.11 feet North of the Northeast corner of  
 Government Lot 4 in said Section 34; thence West 150 feet; thence South parallel  
 to the East line of said Section 34, 100 feet; thence East parallel to the North line  
 of said Lot 4, 150 feet; thence North 100 feet to the point of beginning.

Situate in the County of Pierce, State of Washington  
 Tax Parcel No. 0121353006 ("Fox Island property").

Pursuant to the Preliminary Order the United States Marshals Service has seized  
 the Fox Island property and has maintained it in its custody pending further order of this  
 Court.

1           The Fox Island property is subject to forfeiture pursuant to Title 21, United  
2 States Code, Section 853, because it was used, or intended to be used by defendant  
3 Michael Steffen to commit or to facilitate the commission of a violation of Title 21,  
4 United States Code, Sections 841(a)(1), 841(b)(1)(B), and 846 and constitutes, or is  
5 derived from, proceeds the defendant obtained, directly or indirectly, as the result of said  
6 offense.  
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8  
9           On March 16, 23, and 30 notice of the Preliminary Order of Forfeiture and of the  
10 United States' intent to dispose of the Fox Island property in accordance with law was  
11 published in the Daily Journal of Commerce and in the Tacoma News Tribune. The  
12 notices advised any person, other than the defendant, having or claiming a legal interest  
13 in the Fox Island property, to file a petition with the Court within thirty (30) days of the  
14 final publication of notice or of receipt of actual notice, whichever was earlier, setting  
15 forth the nature and extent of the petitioner's right, title or interest in the forfeited  
16 property any additional facts supporting the claim, and the nature of the relief sought.  
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18 The United States also, to the extent possible, provided direct written notice as a  
19 substitute for the published notice to any person known to have alleged an interest in the  
20 Fox Island property. Among the persons so notified were Kimo R. and Anne L. Streeter,  
21 a married couple, of 267 Shorewood Court, Fox Island, WA, 98333. The Streeters  
22 received notice via certified mail on March 18, 2005, personally signed for by Anne L.  
23 Streeter. More than thirty (30) days have passed since then, and no petition asserting an  
24 interest in the Fox Island property has been filed by, or on behalf of, the Streeters. On  
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1 August 12, 2005 the Clerk entered a default pursuant to Rule 55(a), Federal Rules of  
2 Civil Procedure, against Kimo R. and Anne L. Streeter and all unknown persons who  
3 have failed to file a petition asserting an interest in the Fox Island property.  
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5 On April 1, 2005, a petition asserting a lien interest in the Fox Island property was  
6 submitted on behalf of Kitsap Bank, Mortgage Electronic Registration Systems, Inc., and  
7 Countrywide Home Loans, hereinafter, "Countrywide."  
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9 On April 19, 2005, Susanne M. White filed a petition claiming an interest in "real  
10 property owned by Michael Steffen," potentially asserting a claim against the Fox Island  
11 property.  
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13 On April 29, 2005, William and Beverly Steffen submitted a petition claiming an  
14 interest in the Fox Island property.  
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16 No other claims or petitions have been submitted with respect to the Fox Island  
17 property, and the time permitted for doing so has expired.  
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19 On June 16, 2005, the Court entered an Order dismissing the petition and claim of  
20 Susanne M. White.  
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22 Plaintiff, United States of America, Petitioner Countrywide Home Loans, and  
23 Petitioners William and Beverly Steffen, through their respective counsel, have entered  
24 into a Stipulation for Compromise and Settlement of Claims (Settlement Agreement)  
25 which was filed with the Court on September 22, 2005. The Court hereby approves the  
26 parties' Settlement Agreement and enters this Final Order of Forfeiture in accordance  
27 with its terms. Accordingly, it is hereby ORDERED:  
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- 1       1.     The Fox Island property is hereby fully and finally forfeited to the United  
2           States, and the United States shall have clear title thereto, subject to the  
3           interest of Countrywide, as specifically defined below.  
4
- 5       2.     Countrywide shall retain an lien interest in the Fox Island property in the  
6           amount of \$491,282.01.73 representing the principal and interest due as of  
7           April 30, 2005, under the promissory note of Michael Steffen, plus a per  
8           diem amount of \$76.11 per day thereafter.  
9
- 10      3.     The United States shall not sell the Fox Island property for less than the lien  
11           interest of Countrywide as set forth in paragraph 2 above. If the United  
12           States is unable to obtain a buyer of the property and does not accept an  
13           offer to purchase the property before October 1, 2006, for an amount  
14           greater than the amount stated in paragraph 2 above plus all state and local  
15           property taxes due as of the date of this Final Order of Forfeiture, the  
16           United States shall thereafter transfer its interest in the Fox Island property  
17           to Countrywide, in full satisfaction of Countrywide's lien interest. If any  
18           offer to purchase the property is accepted by the United States after  
19           September 15, 2006, the closing of the transaction and the transfer of the  
20           property to the purchaser must occur within 45 days of the offer's  
21           acceptance, provided that the interest of Countrywide as defined in  
22           paragraph 2 above is satisfied and real estate taxes due as of the date of this  
23           Order are paid at the closing of the transaction. Any further extension of  
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1 closing beyond said 45 days must be approved by Countrywide.


- 2 4. In the event the United States is able to sell the Fox Island property for  
3 more than the lien interest of Countrywide as set forth in paragraph 2  
4 above, plus real estate taxes due as of the date of this Order, then, after  
5 deduction of the expenses of sale, and of marketing, maintenance,  
6 safeguarding and improvement of the property pending sale, any remaining  
7 amount, up to \$30,000 shall be divided evenly between the United States on  
8 the one hand and petitioners William and Beverly Steffen, on the other  
9 hand. Any amounts due to the United States under this paragraph shall be  
10 deposited into the Assets Forfeiture Fund of the Department of Justice.  
11  
12 5. Upon payment of Countrywide's principal and interest due as set forth in  
13 paragraph 2, above, Countrywide shall promptly cause a full reconveyance  
14 of its deed of trust pertaining to the Fox Island property to be filed in the  
15 land title records of Pierce County, Washington.  
16  
17 6. Any net amount exceeding \$30,000, remaining after satisfaction of  
18 Countrywide's lien interest, payment of taxes due, and the payments set  
19 forth in paragraph 4 above, shall be property of the United States and  
20 deposited into the Assets Forfeiture Fund of the Department of Justice.  
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22 7. Except as provided in paragraph 4 above with respect to costs of the United  
23 States Marshals Service, each party is to bear its own costs and attorney's  
24 fees.  
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8. This Final Order of Forfeiture, finally disposes of all claims to the Fox Island property and of any causes of action arising out of identification of the Fox Island property as being subject to criminal forfeiture in this case.

The parties shall execute such further documents, to the extent necessary, to implement the terms of this Order.

9. The Clerk of the Court is directed to mail a copy of this Final Order of Forfeiture to the attorneys for each party of record, to deliver a copy to the United States Marshals Service, and to send three additional, certified copies to the United States Marshals Service, Seattle, Washington.

DATED this 3<sup>rd</sup> day of November, 2005.

  
FRANKLIN D. BURGESS  
UNITED STATES DISTRICT JUDGE

Presented by:

/s/ Peter O. Mueller  
PETER O. MUELLER  
Assistant United States Attorney

/s/ Robert W. Sargeant  
ROBERT W. SARGEANT  
Attorney for Petitioner  
Countrywide Home Loans

/s/ Zenon Peter Olbertz  
ZENON PETER OLBERTZ  
Attorney for William and Beverly  
Steffen

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FOX ISLAND, WASHINGTON - 8  
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